

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7214**

**BILL NUMBER:** HB 1271

**NOTE PREPARED:** Dec 28, 2004

**BILL AMENDED:**

**SUBJECT:** Child Support.

**FIRST AUTHOR:** Rep. Pond

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the duty to pay child support ceases when a child becomes 18 years of age. The bill provides that a court cannot order educational support for a child after a child becomes 18 years of age or for higher education unless both parents agree to the conditions of the educational support order. It provides that a court may order parents to deposit money for a child's higher education in a savings or an investment account.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Currently, the court must be petitioned to modify a child support agreement. This bill would reduce the age from 21 to 18 that a parent is responsible for paying child support. If fewer petitions are made, a result of the age being lowered, a reduction in court time could occur.

The bill also requires both parents to petition the court to order money contributed to a savings or investment account for the child's education to either be returned to the parents in the proportion that each parent contributed, or given to the child. If more petitions are made, an increase in court time could occur.

The number of cases that would fall under either of these requirements of the bill is unknown. However, any increase in court time is likely small.

*Federal Incentive Dollars:* Indiana receives federal incentive dollars for its child support program. These dollars are calculated through use of a formula which takes into account the total amount of child support dollars owed in relation to the total amount paid. To the extent that the bill reduces the total amount of child

support money owed, the amount of federal incentive dollars could increase. The actual increase is dependent on what, if any, decrease in child support dollars owed occurs.

**Explanation of State Revenues:** *Court Fee Revenue:* If the number of civil actions changes, revenue to the state General Fund may change if court fee collections change. A civil filing fee of \$100 is assessed when a civil case is filed, 70% of which is deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Court Fee Revenue:* If the number of civil actions changes, local governments would experience a change in revenue from the following sources. The county general fund receives 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts, city and town courts.

**Information Sources:**

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.